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Finance

Bitcoin Mining Consulting Firm Sabre56 Raises \$35M to Build 150MW of Hosting Sites

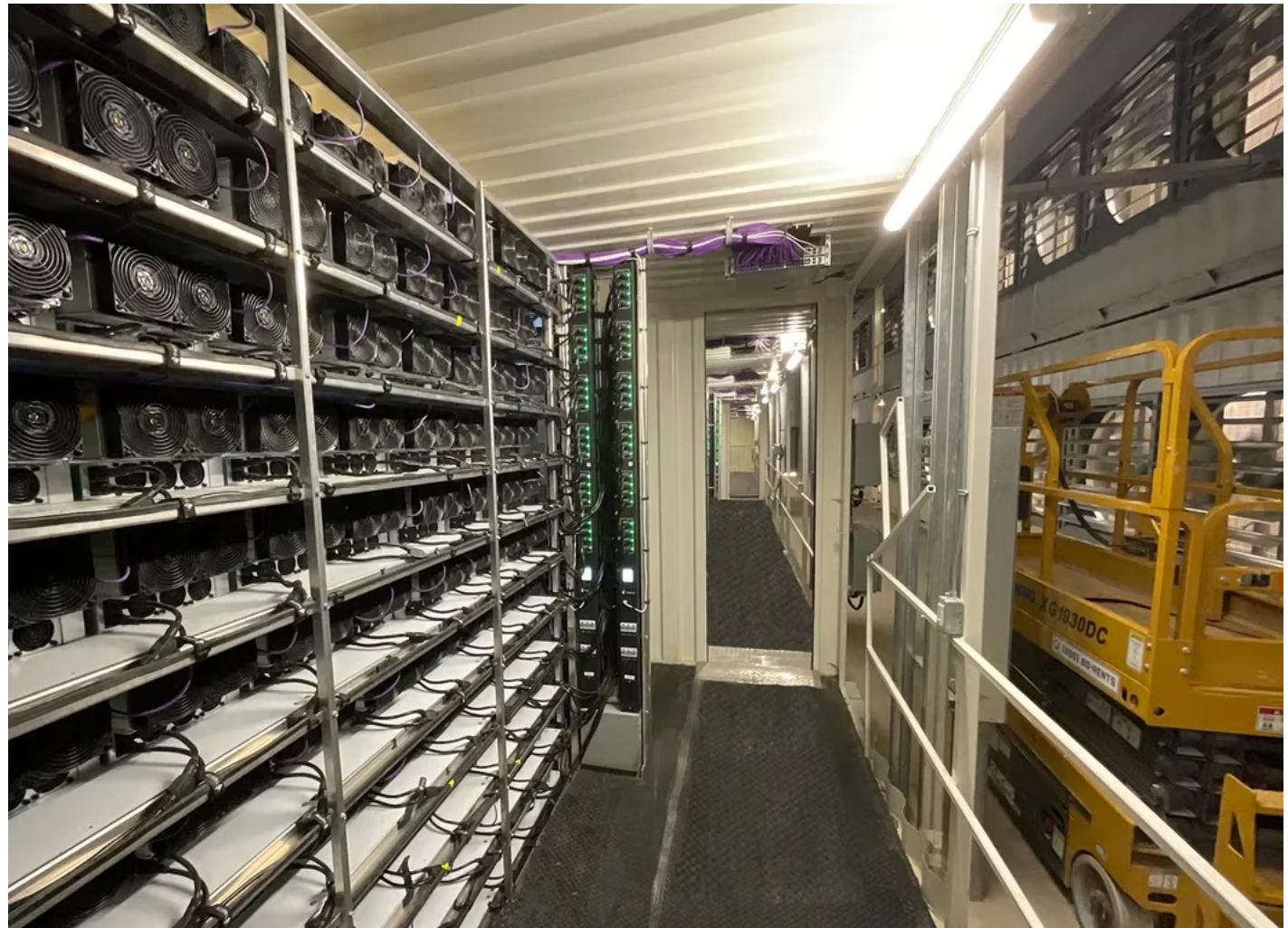
The company is moving into the hosting business and says it already has a "waiting list" of clients.

By Eliza Gkritsi

⌚ Feb 23, 2023 at 8:00 a.m. EST

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A Sabre56 bitcoin mining facility. (Sabre56)

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Sabre56, a company that consults miners on the development and operations of facilities, has raised \$35 million to build its own hosting sites, aiming to have 150 megawatts (MW) of energy capacity ready by the end of the **year**. Hosting is a service that data centers provide to crypto miners that want to run their mining rigs without having to build the infrastructure themselves.

The first four sites will total 115 MW and be located in Wyoming and Texas, where construction has already begun, according to a press release. The capacity will be built in 7MW-15 MW of monthly increments, with the first batch coming online in mid-March, company CEO Phil Harvey said. The \$35 million investment is coming primarily from private individuals, he added.

Hosting space for mining rigs has been **in short supply** over the past few months as few new sites were coming online and capital for development ran dry. The bankruptcies of major hosting firms like **Compute North** and **Core Scientific (CORZ)** heightened the supply issue.

Sabre56 will offer competitive pricing between \$0.068-\$0.072 per kilowatt hour (kWh) of electricity consumed, depending on the duration of the contract and the type of machines, Harvey said. For comparison, Core Scientific **increased its hosting price** to just under 10 cents in October as soaring natural gas prices increased its electricity costs.

Harvey declined to specify the price of the fixed-rate electricity contracts that Sabre56 has signed.

Sabre56 already has a "waiting list" of clients, said the press release. Harvey specified that it is comprised mostly of companies and individuals already close to the company, and the contracts are in the 10 MW-50 MW range. In addition to its projections to have 150 MW online by the end of 2023, the company plans to keep adding 150 MW of capacity annually for the next four years. The profits made from the initial investments will be enough to continue this further development, Harvey said.

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"I'm not interested in taking over, some s***show that people are trying to sell because they're going bankrupt and can't run their operations," said Harvey, responding to a question from CoinDesk about why his company has chosen not to purchase an existing development from a distressed miner.

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